Revival of IDPL, Birbhadra unit

†288. SHRI HARISH RAWAT: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether efforts are being made to revive different units of IDPL including IDPL, Birbhadra;

(b) whether taking into confidence different trade unions, a committee has been constituted to study the possibility of restarting these Public Undertakings; and

(c) if so, the details thereof and by when the Committee is likely to submit its recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) Yes Sir. Government has plans to revive IDPL, including IDPL, Birbhadra. The Expert Committee was constituted to study techno-financial feasibility of revival of IDPL. The Committee submitted its report to the Government. A gist of recommendations made by the Committee is enclosed as Statement. *(See* below)

IDPL has since been asked to submit Draft Rehabilitation Scheme for consideration of the Govenrment.

Statement

The recommendations of the Expert Committee

1. Formulation activities to be continued in Gurgaon, Rishikesh and Chennai. In Hyderabad unit the formulation activities are to be restarted.
2. The plant and machinery and other infrastructure in all these units need to be upgraded to schedule M requirements.
3. The bulk drug production in Hyderabad and Rishikesh has to be taken up from the third year of the revival. Hence the up-gradation/ replacement of machinery to meet the GMP requirements to be started immediately.

† Original notice of the question was received in Hindi.

4. The bulk drug production will be from the penultimate stage to start with. The IDPL management may decide production from basic stage at the appropriate time and stage depending upon the marketing conditions and availability of appropriate technology.

5. Based on the above premise, the proejcted capacity utilization, profitability & cash generation have been worked out at a level which will ensure financial self-sustenance for the company as a whole. The pay-back will be in the 5th year of the com mencement of projected production.

6. IDPL may also explore the possibility of toll manufacturing/3rd party manufacturing of formulation and bulk drugs which would augment the resources of the company.

7. The extra vacant land and other extra infrastructure facility like the vacant quarters, gusesthouses etc., which may not be used in the immediate future, may be leased out to augment the resources.

8. On the above lines, the total funds requirement for up-gradation of plant and machinery and infrastructure in respect of bulk drug and formulation division as a whole amounts to Rs. 151 crores.

9. The two wholly owned subsidiaries namely BDOCL and IDPL (TN) to be merged back with the holdign company as these are not financially and administratively independent of the parent company. They do not have their own marketing set up and their products mainly cater to the need to the parent company.

10. Improvement of technology of production of bulk drugs by importing intermediates would need to be adopted to reduce the cost of the product.

11. Reorganisation of formulation development facilities to develop new formulations of the latest drugs would have to be created.

12. Technology/collaboration for new drugs would have to be acquired.

13. New technologies for future production would need to be identified.

14. The progress of implementation of action plan is to be monitored through different task force.

15. The existing Balance Sheet needs to be cleaned up by writing off Government loans amounting tro Rs. 1970 crores and negotiating with the bankers/other trade creditors reduction of itnerest liability due on their outstanding. The asset side of the Balance Sheet also need to be adjusted by updating the realistic value of the assets.

16. The Govt, of AP and Uttaranchal would be required to waive off penal charges in addition to actual demand charges in respect of due of APSEB, UPSEB, AP Water Board and UP Water Board.

17. Since the Rishikesh Plant will be modernized with significant capital additions, the Govts of Uttaranchal may recognise the same and allow excise and other tax benefits under the Govt.of of India Industrial Policy of the year 2001.

18. The total cost of the Revival Plan is as follows:

(a) Investment of up-gradiation of infrastructure/plant and machinery Rs. 151 crores.

(b) Expenditure during construction including man pcvvsr cost will be Rs. 20 crores.

(c) Investment of funds toward initial working capital will be Rs. 33 crores.

Totald cash infusion—Rs. 2204 crores

19. Write of concessions

(a) Govt, of India loan and interest thereon including VRS fund Rs. 1970 crores

(b) Interest on Loans from Banks and other PSUs Rs. 810 crores

Total Concession—Rs. 2780 crores

Apart from this Rs. 1.5 crores waivers of excise duty on Ehtyl Alcohol lying in the stores of BDOCL Plant is to be allowed by the State Govemment.

20. Total cost of the revival

Cash Infusion	—	Rs. 204 crores
Concession	—	Rs. 2780 crores
Total	—	Rs. 2984 crores

21. Mode of Financing

The Committee is of the view that the cash infusion of Rs. 204 crores may be provided as one time interest free loan to IDPL which the company would repay within a period of seven years by sale of excess vacant land available in the units of Hyderabad, Tamil Nadu & Gurgoan. Govemment may also consider converting a portion of the laon included in the Rs. 1970 crores into grant/ equity as mentioned above.

Fertilizer production and subsidy

289. SHRI C. RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total quantity of fertilizers produced in the country during the last three years, unit-wise;

(b) the subsidy sanctioned and given to the manufacturing units during the said period, unit-wise;

(c) the total quantity of fertilizers imported during the said period;

(d) whether some private trading companies were also allowed to import fertilizers; and

(e) if so, the details of quantity and subsidy distributed to these non-manafucturing fertilizer companies during the said period?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE) (a) The total quantity of fertilizers in terms of the nutrients i.e. Nitrogen (N) and phosphate (P) produced in the country during the last three years, unit-wise is as per Statement-I and II *(See* belowj.

(b) The subsidy given to the manufacturing unit during the last three years, unit-wise, is as per Statement-lll and IV (See below,).

(c) The total quantity of fertilizers imported during the last three years is as follows:—